

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;  
Nanci E. Langley, Vice Chairman;  
Mark Acton;  
Tony Hammond; and  
Robert G. Taub

Mail Classification Schedule Language  
for Nonpostal Services

Docket No. MC2010-24

ORDER APPROVING MAIL CLASSIFICATION SCHEDULE  
DESCRIPTIONS AND PRICES FOR NONPOSTAL SERVICE PRODUCTS

(Issued December 11, 2012)

I. INTRODUCTION AND SUMMARY

The Commission has concluded review of the nonpostal services of the Postal Service for purposes of determining which of those services are authorized to continue.<sup>1</sup> This Order approves appropriate language proposed by the Postal Service describing its authorized nonpostal products and pricing to be included in the Mail Classification Schedule (MCS). It also requires the Postal Service to file additional MCS language to better describe its Philatelic Sales and its Training Facilities and Related Services nonpostal products.

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<sup>1</sup> Docket No. MC2008-1(Phase IIR), Order Resolving Issues on Remand, April 30, 2012 (Order No. 1326).

Pursuant to review proceedings required by section 404(e) of title 39, the Commission in Order No. 154 authorized 13 activities of the Postal Service to continue as “nonpostal services.”<sup>2</sup> Section 404(e)(5) provides that each of these nonpostal services is to be regulated as either a market dominant or competitive product.<sup>3</sup> The authorized nonpostal services are:

Market Dominant (2 Activities)

1. MoverSource
2. Philatelic Sales

Competitive (11 Activities)

1. Affiliates for Website
2. Affiliates—Other (Linking Only)
3. Electronic Postmark
4. FedEx Drop Boxes
5. Licensing Programs Other Than Officially Licensed Retail Products
6. Meter Manufacturers Marketing Program
7. Non-Sale Lease Agreements (Non-Government)
8. Officially Licensed Retail Products (OLRP)
9. Passport Photo Service
10. Photocopying Service
11. Training Facilities

During the section 404(e) proceedings in Docket No. MC2008-1, the Commission directed the Postal Service to file proposed language for the nonpostal services it

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<sup>2</sup> Docket No. MC2008-1, Review of Nonpostal Services Under the Postal Accountability and Enhancement Act, December 19, 2008 (Order No. 154); see also Docket No. MC2008-1, Errata Notice, January 9, 2009; petition denied, *United States Postal Service v. Postal Regulatory Comm’n*, 599 F.3d 705 (D.C. Cir. 2010); Docket No. MC2008-1(Phase II), Phase II Review of Nonpostal Services Under the Postal Accountability and Enhancement Act, January 14, 2010 (Order No. 392); vacated and remanded, *LePage’s 2000, Inc. and LePage’s Prods., Inc. v. Postal Regulatory Comm’n*, 642 F.3d 225 (D.C. Cir. 2011).

<sup>3</sup> The Commission initially permitted a 14th nonpostal activity, Warranty Repair Service, to continue temporarily pending further review in Phase II. That activity has not been authorized to continue. See Order No. 392 at 31, 39; Order No. 1326 at 3, 30.

wished to continue and to be included in the MCS.<sup>4</sup> With three separate filings, the Postal Service has proposed MCS language for nonpostal services for the 13 authorized nonpostal services.<sup>5</sup> The filings retained seven services as a distinct product, but renamed others and, in two cases, paired two nonpostal services to form a product. The Postal Service's conversions of nonpostal services into various products are intended to reflect the essential activity within each service rather than the names of a vendor, programs, or the location of the activity (*e.g.*, the web). See Docket No. MC2009-20, Proposal Notice at 3-4.

The Commission established this docket to consider the Postal Service's proposed nonpostal MCS language filed in different dockets. The Postal Service's proposed MCS language was attached to the Commission's order initiating this docket.<sup>6</sup> The Commission has held in abeyance its review of the proposed MCS language pending completion of litigation and final resolution of the Commission's review of nonpostal services, which concluded with Order No. 1326 on April 30, 2012 in Docket No. MC2008-1(Phase II R).

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<sup>4</sup> Order No. 120, Docket No. MC2008-1, Order Denying, In Part, Motion to Compel, October 23, 2008; see also Order No. 154 at 90.

<sup>5</sup> Docket No. MC2008-1, United States Postal Service Notice of Filing of Proposed Mail Classification Schedule Language for Six Nonpostal Services Pursuant to Order No. 120, November 7 2008 (Docket No. MC2008-1, Notice); Docket No. MC2009-20, United States Postal Service Notice of Filing of Proposed Mail Classification Schedule Language for Nonpostal Activities in Response to Order No. 154, March 10, 2009 (Docket No. MC2009-20, Proposal Notice); Docket No. MC2009-20, Notice of the United States Postal Service of Amendment to Mail Classification Schedule Language for Nonpostal Activities Required to be Filed by Order No. 154, April, 26, 2010 (Docket No. MC2009-20, Amendment Notice).

<sup>6</sup> Notice and Order Concerning Mail Classification Schedule Language for Nonpostal Services, May 7, 2010, at Attachment (Order No. 457).

Upon review of the Postal Service's proposed MCS language covering the authorized nonpostal services, the Commission has concluded that the following 11 nonpostal *products* (2 market dominant products and 9 competitive products) proposed by the Postal Service accurately reflect the underlying characteristics of the authorized nonpostal services.<sup>7</sup> For the reasons explained below, the Commission finds the nonpostal services authorized by Order Nos. 154, 392 and 1326 are to be added as the following nonpostal products in the MCS (in alphabetical order):

Market Dominant Product List—Nonpostal Services

1. Alliances with the Private Sector to Defray Cost of Key Postal Functions [Includes MoverSource nonpostal service]
2. Philatelic Sales

Competitive Product List—Nonpostal Services

- 1 Advertising [Includes Affiliates—Other (Linking Only) and Meter Manufacturers Marketing Program nonpostal services]
2. Licensing of Intellectual Property Other Than OLRP
3. Mail Services Promotion [Affiliates for Website nonpostal service]
4. Officially Licensed Retail Products (OLRP)
5. Passport Photo Service
6. Photocopying Service
7. Rental, Leasing, Licensing or Other Non-Sale Disposition of Tangible Property [Includes Non-sale Lease Agreements (Non-Government) and FedEx Drop Boxes nonpostal services]
8. Training Facilities and Related Services
9. USPS Electronic Postmark Service (EPM) Program

The Commission approves the MCS language included in the Appendices below the signature line of this Order for all of the nonpostal products although additional

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<sup>7</sup> Part 3020 of the Commission's rules provides for establishing product lists. Subpart A of Part 3020 contains provisions for nonpostal products. 39 CFR 3020.13(a)(6) and (b)(5). Subpart B of Part 3020 provides for changes to the product lists initiated by the Postal Service. The Commission will treat the Postal Service's filing as a request to modify the product lists. Because the Postal Service's filing is pursuant to Order No. 154, the Commission will waive, to the extent necessary, the filing requirements of subpart B. See *id.* at 5 n.11.

language is to be filed by the Postal Service for the Philatelic Sales product and the Training Facilities and Related Services product. The Postal Service is directed to file within 14 days conforming MCS language consistent with the body of this Order revising those two product descriptions. After Commission review of the filings, subject to minor editorial adjustments, all of the product descriptions and prices shall be included in the MCS when published. 39 CFR 3020.13(a)(6) and (b)(5).

The Commission also may issue a notice of proposed rulemaking requesting comments on appropriate regulations for nonpostal products and, upon review of the comments, may propose additional rules for nonpostal products. Comments may suggest modifications to the form or content of MCS language for nonpostal products.

## II. PROCEDURAL HISTORY

*Postal Service filings.* Three separate primary Postal Service pleadings proposing product descriptions for nonpostal services are the subject of this proceeding. The first pleading was filed at Commission request during the Docket No. MC2008-1 proceedings leading up to Order No. 154. It proposed MCS language for four activities which the Postal Service identified as nonpostal services: Passport Photo Service, Photocopying Service, Officially Licensed Retail Products (OLRP), and USPS Electronic Postmark (EPM) Program.<sup>8</sup> See Docket No. MC2008-1, Notice. In Order No. 154, the Commission authorized those four activities to continue as nonpostal services.<sup>9</sup>

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<sup>8</sup> The Postal Service filing contained proposed MCS language for six products, but the Commission determined Notary Services provided without charge is not a service and that Stored Value Cards do not meet the grandfather requirements of section 404(e) of title 39 so neither was authorized as a nonpostal service. Order No. 154 at 45-48.

<sup>9</sup> Order No. 154 provisionally accepted language for the four nonpostal services for insertion into the MCS. Order No. 154 at 89.

The second Postal Service filing is the Postal Service's Notice responsive to Order No. 154. That Notice included proposed MCS language covering nine additional nonpostal services authorized in Order No. 154.<sup>10</sup>

The third pleading proposed amended language for the previously offered nonpostal Philatelic Sales product to add a description and current shipping charges for philatelic order fulfillment.<sup>11</sup> The proposed amendment was filed pursuant to Commission Order No. 391 in a separate but related proceeding.<sup>12</sup>

*Comments.* Pursuant to 39 U.S.C. 404(e)(5) and 39 CFR 3020.33, the Commission provided interested persons an opportunity to comment on the planned modifications to the MCS and on whether they are consistent with the policies of 39 U.S.C. 3642. See Order No. 457. Comments were filed by the Public Representative proposing modifications to portions of the Postal Service's MCS filings.<sup>13</sup> The Postal Service filed comments in reply to the Public Representative.<sup>14</sup>

No person objected that adding the products to the MCS would be inconsistent with 39 U.S.C. 3642.

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<sup>10</sup> Of the additional nine authorized nonpostal services included in the second filing, MoverSource and Philatelic Sales are classified as market dominant. The remaining seven authorized nonpostal services classified as competitive are Affiliates for Website, Affiliates—Other (Linking Only), FedEx Drop Boxes, Licensing Programs Other Than Officially Licensed Retail Products, Meter Manufacturers Marketing Program, Non-Sale Lease Agreements (Non-Government), and Training Facilities. That pleading also proposed language for a 14th activity, now moot, for another activity approved temporarily as the Warranty Repair Program, restyled by the Postal Service as the Equipment Repair Service product. See note 3.

<sup>11</sup> See Docket No. MC2009-20, Amendment Notice. This filing was later updated to reflect new charges implemented on January 22, 2012 for Stamp Fulfillment Services.

<sup>12</sup> Docket No. MC2009-19, Order Approving Addition of Postal Service to the Mail Classification Schedule Product Lists, January 13, 2010, at 12-15 (Order No. 391). See Docket No. MC2009-19, Request of the United States Postal Service to Add Stamp Fulfillment Services to the Mail Classification Schedule in Response to Order No. 391, April 26, 2010 (Docket No. MC2009-19, Request).

<sup>13</sup> Public Representative Comments in Response to Order No. 457, June 4, 2010 (PR Comments).

<sup>14</sup> Reply Comments of the United States Postal Service Pursuant to Order No. 457, June 18, 2010 (Postal Service Reply Comments).

*Organization of this Order.* This Order first addresses the nonpostal service products proposed by the Postal Service. Some of the services are not modified by the proposals while other nonpostal services are renamed, modified, or merged together. Next, this Order reviews the Public Representative's comments and the Postal Service's responses, and discusses them with an analysis of each nonpostal product. This Order concludes that the Postal Service's proposed nonpostal product titles, descriptions and prices, with minor modifications, appropriately reflect the nonpostal services authorized by the Commission and orders them added to the MCS nonpostal product lists.

### III. POSTAL SERVICE'S PROPOSED NONPOSTAL PRODUCTS

*Nonpostal services proposed as products without change.* The Postal Service proposes to maintain, unmodified, four nonpostal services as nonpostal products—Officially Licensed Retail Products (OLRP), Passport Photo Service, Photocopying Service, and USPS Electronic Postmark Service (EPM) Program.<sup>15</sup>

Officially Licensed Retail Products (OLRP) is merchandise sold through Postal Service retail channels relating to mail, governmental services, or stamp-related or Postal Service-branded merchandise. The USPS EPM Program authorizes vendors to provide to their customers Postal Service-authorized timestamps to later substantiate that the original time-stamped electronic information has not been altered. Passport Photo Service is offered to support customers who apply for passports at designated postal facilities pursuant to U.S. State Department regulations. Photocopying Service may be offered to retail customers at postal facilities to make copies of documents.

The Postal Service proposes minor language adjustments and changes in the product titles of three other authorized nonpostal services: Licensing Programs Other Than Officially Licensed Retail Products, Philatelic Sales, and Training Facilities.

Docket No. MC2009-20, Proposal Notice at 6. Philatelic Sales is the sale of stamp-

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<sup>15</sup> The services were proposed as products in the pleading of November 7, 2008 and, as noted above, accepted provisionally into the MCS by Order No. 154. The nonpostal services were accepted subject to necessary minor editorial changes. Order No. 154 at 89. This Order completes that process.

related items that support the hobby of stamp collecting plus handling charges.

Licensing Programs Other Than Officially Licensed Retail Products (renamed Licensing of Intellectual Property Other Than OLRP) is the licensing for a fee of the Postal Service's intellectual property including patents, trademarks, and copyrights. Training Facilities (renamed Training Facilities and Related Services) includes the rental of excess space and related services and equipment at Postal Service training facilities and the provision of training courses.

Thus, the Postal Service proposes that 7 of 13 authorized nonpostal services should be listed in the MCS as products without significant descriptive changes of the authorized service.<sup>16</sup>

*Nonpostal services renamed and/or combined as products.* The Postal Service's Notice proposes to rename and/or realign the remaining six authorized nonpostal services into four products to reflect more accurately the essential activity within each service and to reduce potential confusion among customers. Docket No. MC2009-20, Proposal Notice at 3-4. Some nonpostal activities are realigned to be independent of either the names of current vendors, programs, or the location of the activity. This will permit the Postal Service to enter into similar agreements with others, or to accept advertising for other products in other venues. *Id.* at 4. The Postal Service proposes to rename or realign the following six authorized nonpostal services.

The MoverSource nonpostal market dominant service is an alliance with a private sector company to provide the change-of-address function for the Postal Service. The Postal Service recommends aligning it with WhitePages, a web affiliate agreement to provide locations, phone numbers, hours of operation, and services available at post

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<sup>16</sup> The seven proposed products are: Philatelic Sales, Passport Photo Service, Photocopying Service, Officially Licensed Retail Products (OLRP), USPS Electronic Postmark Service (EPM) Program, Training Facilities and Related Services, Licensing of Intellectual Property Other Than OLRP, and Training Facilities and Related Services.



offices nationwide.<sup>17</sup> Combined, the proposed product is titled “Alliances with the Private Sector to Defray Cost of Key Postal Functions” (Alliances). Docket No. MC2009-20, Proposal Notice at 6-7.

The other five nonpostal services proposed for modification are competitive services. The Affiliates-Other (Linking Only) service provides a link on the Postal Service’s website to a merchant’s website.<sup>18</sup> *Id.* The Postal Service proposes to align the service with its Meter Manufacturers Marketing Program which has one non-exclusive agreement for advertising placed in its retail lobbies on behalf of Pitney Bowes. Combined, these services are the Advertising product. *Id.* at 9.

The authorized nonpostal service Affiliates for Website is comprised of agreements whereby the Postal Service advertises or actively promotes on its website the products of merchants who offer customers mail-related products or services.<sup>19</sup> The Postal Service proposes to rename this service the “Mail Services Promotion” product. *Id.* at 8.

The nonpostal service Non-sale Lease Agreements (Non-Government) encompasses areas such as parking facilities, office space, antenna towers, advertising space, storage, and retail lobby space. The Postal Service combines it with the FedEx Drop Box service that also involves the rental of real property space. The Postal Service renames the combined services “Rental, Leasing, Licensing or Other Non-sale Disposition of Tangible Property” (Leasing). *Id.* at 9-10.

#### IV. PUBLIC REPRESENTATIVE COMMENTS

The Public Representative suggests adjusting the proposed products by (1) merging the Alliances and Mail Services Promotion products into the Advertising

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<sup>17</sup> This type of information was previously provided through an agreement with Idearc Media Corporation where it was characterized as a web linking agreement. Docket No. MC2008-1, Notice at 7 n.6. See Order No. 154 at 77.

<sup>18</sup> Agreements in this category are the Maponics, Label Universe, and Mail Service Provider agreements. *Id.* at 8.

<sup>19</sup> The identified affiliate agreements are with Click2Mail, Premium Postcard, and CardStore.

product because they are all related to advertising; (2) restricting the breadth of the Advertising and Mail Services Promotion products by disallowing their proposed application “in other venues” of the Postal Service because, he says, it would enlarge their scope beyond the Commission’s original approval; (3) disallowing the rental of personal property as not authorized; and (4) adding clarifying language to the EPM service.<sup>20</sup> Except for the suggestion to clarify the EPM service description, the Postal Service opposes the Public Representative’s arguments. Postal Service Reply Comments at 1.

## V. COMMISSION ANALYSIS

### A. Market Dominant Nonpostal Services Products

#### 1. Alliances Product Includes MoverSource and WhitePages Nonpostal Services

The Postal Service proposes to include the market dominant nonpostal service MoverSource, an alliance with a private sector company, Imagitas, to provide change-of-address assistance with another alliance, WhitePages. WhitePages service provides a core function of the Postal Service to disseminate information regarding locations, hours, phone numbers, hours of operation, and available services at postal facilities. Postal Service costs are defrayed through advertising solicited by the private sector entity. These nonpostal services provide funding for core functions of the Postal Service, to the extent possible, through advertising by the private sector. Combined, the services constitute the market dominant nonpostal product, Alliances. Docket No. MC2009-20, Proposal Notice at 6-7.

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<sup>20</sup> The proposed clarifying language to be added to the description of EPM is “The Postal Service has the ability to create a backup verification service for EPMs in the event that a licensee no longer provides that service.” PR Comments at 3.

The Public Representative notes that WhitePages was not specifically included in Order No. 154 as a nonpostal service. PR Comments at 2. However, the Postal Service referenced its WhitePages program in Docket No. MC2008-1 as a revenue producing activity.<sup>21</sup> WhitePages service is similar to the MoverSource program in that it provides a key function of the Postal Service by disseminating to the public contact information regarding Postal Service facilities. Although not identified as a separate nonpostal service in Order No. 154, the WhitePages activity was identified in the Idearc contract cited in that record as providing funding for core services for the Postal Service. MoverSource, itself, consists of three programs—Movers Guide, Welcome Kit, and Mover’s Online Guide. Order No. 154 at 80. The Commission finds the WhitePages activity is properly included with the Alliances product. The service is market dominant because the Postal Service has unique control over information about its own facilities.

The Public Representative also points out that the Alliances product’s unifying characteristic appears to be advertising as the source of revenues. He proposes merging the Alliances services with the competitive category product Advertising. PR Comments at 2. The Postal Service replies that there are fundamental differences between these two categories.

As the Postal Service points out, unlike the Advertising product, the Alliances product includes a broader Postal Service relationship with its affiliates by providing the Postal Service discretion to actively promote the services apart from advertising. Postal Service Reply Comments at 11. Also, unlike the Advertising product, both services in the Alliances product provide either a core postal function or funding for a core function and revenues in excess of costs are *shared* with the alliance partner. *Id.* at 2. The Commission concludes that a merger of the Alliances category into the Advertising category as proposed by the Public Representative could preclude future alliances to defray the costs of core postal functions through means other than advertising. In addition, the Alliances product is market dominant due to the Postal Service’s unique

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<sup>21</sup> The information was provided by an agreement with Idearc Media Corporation. Docket No. MC2009-20, Proposal Notice at 7 n.6. See Order No. 154 at 77.

control of the market to offer services to provide for its core functions. On the other hand, the market for providing advertising space is competitive. The Postal Service competes with other owners of space suitable for advertising. Market dominant and competitive products cannot be joined into one product. For these reasons, the suggestion to include the Alliances product within the competitive product Advertising is not accepted.

## 2. Philatelic Sales

The Postal Service proposes a description for Philatelic items and prices for handling orders mailed to the domestic United States and outside the domestic United States, with separate prices for orders up to \$50 and for orders over \$50. There is no handling charge for philatelic items in a subscription series of a specified type if a means of payment is established in advance.

An additional charge for custom Philatelic orders is determined by reference to another product in the MCS, Stamp Fulfillment Services.<sup>22</sup> Currently, the Stamp Fulfillment Services product defines a custom order as “a stamp order in configurations other than those listed for each item in the USA Philatelic catalog.”<sup>23</sup> The current Stamp Fulfillment Services fee for custom orders is \$2.00. *Id.*

The Commission finds that it is desirable for the convenience of those who consult the Philatelic Sales product list to require additional information to be included with the product. A full description of applicable Philatelic prices can reduce the potential for confusion among users. Where, as here, the fees for the relevant Stamp Fulfillment Services can be readily included within the rate schedule, they should be included within the Philatelic product schedule rather than by reference to Stamp

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<sup>22</sup> There are also additional charges for expedited shipping using the actual postage for Express Mail.

<sup>23</sup> Order No. 487, Docket No. MC2009-19, Order Accepting Product Descriptions and Approving Addition of Stamp Fulfillment Services to the Mail Classification Schedule Product Lists, July 13, 2010; see *also* Docket No. MC2009-19, Request at Attachment A.

Fulfillment Services elsewhere in the MCS. The Postal Service shall file revised Philatelic Sales language to include within the Philatelic Sales product the definition of a custom order and the specific additional fees for custom orders of stamps. As so amended for stamp fulfillment fees, the Commission will add Philatelic Sales as a nonpostal product to the MCS.

B. Competitive Nonpostal Services Products

1. Advertising Product Includes Affiliates-Other (Linking Only) and Meter Manufacturers Marketing Program Services

a. No Active Postal Service Promotion

The Postal Service proposes to combine two authorized nonpostal services, Affiliates-Other (Linking Only) and the Meter Manufacturers Marketing Program to form the Advertising product. The Affiliates Other (Linking Only) service agreements provide for links only on the Postal Service's website to merchants' websites without active Postal Service promotion of the product.<sup>24</sup> Docket No. MC2009-20, Proposal Notice at 8. The Meter Manufacturers Marketing Program nonpostal service is the non-exclusive leasing of Postal Service space on behalf of Pitney Bowes for the purpose of advertising in retail lobbies. *Id.* at 4, 8. The proposed Advertising product description provides that the Postal Service agrees to "post, display, or otherwise convey or provide a party's advertising...on the Postal Service's website, in retail locations, or other postal venues.... This category does not include advertising for the products that the Postal Service sells." *Id.* Appendix at 14. Under this product, the Postal Service agrees to place a party's advertisement in a postal venue. Postal Service Reply Comments at 2. The Postal Service will participate, short of active promotion, in the process of advertising by displaying an advertisement. *Id.* at 4. In this way, the Advertising product is distinguished from the Mail Services Promotion product, discussed below.

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<sup>24</sup> The Postal Service cites such agreements with Maponics, Label Universe, and Mail Service Provider. *Id.* at 8; *see also* Order No. 154 at 77-78.

b. Advertising in “other Postal Service venues”

The proposed Advertising product is available for “retail locations and other postal venues.” As with the Mail Services Promotion product, discussed below, the Public Representative would limit advertising to the Postal Service’s website and retail facilities to the extent specifically discussed in Order No. 154. The Public Representative is concerned about the Advertising description providing that advertising may be placed or provided not only on the Postal Service’s website and in retail locations, but in “other postal venues.” He points out the only advertising discussed in Order No. 154 was on, or linked to, the Postal Service’s website or advertising in retail locations. PR Comments at 3. He argues that the Commission discussed these services only in the context of web linking. No “other venues” were considered.<sup>25</sup> The Public Representative objects that the description for the Advertising product creates a big loophole that will permit advertising on a postal truck and proposes elimination of the “other postal venues” language. *Id.* at 3.

The Postal Service replies that advertisements provided by a third party should be permitted in “other venues” of the Postal Service. Postal Service Reply Comments at 4. It says that advertising as approved in Order No. 154 should not be interpreted in the rigid and restrictive manner the Public Representative proposes. The term “service” suggests a general activity encompassing the various means by which the Postal Service could perform that activity and the Postal Service’s display of an advertisement is the same, regardless of the specific postal venue. *Id.* It contends that to interpret Order No. 154 as it proposes would be consistent with the parties’ recognition in Docket No. MC2008-1 that “functional variations” of an activity would be allowable. *Id.* at 5-6. To do otherwise would not give management flexibility or allow efficient utilization of resources. *Id.* at 10.

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<sup>25</sup> By example, the Postal Service suggests that approval of a display of advertising on real property for compensation suggests that, similarly, advertising is also permitted on personal property. *Id.* at 4.

The issue raised by the Public Representative is whether extending the venue of the advertising activity modifies the essential nature of the authorized activity (service). The Commission concludes that the essential nature of the activity of Postal Service posting and displaying advertising at Postal Service facilities subject to agreement is not altered regardless of whether it occurs on the Postal Service's "(virtual) space" website property or on, or in, other Postal Service venues such as real property or personal property. The Commission will therefore allow the description of the Advertising product to include "other Postal Service venues."

## 2. Mail Services Promotion Product

### a. Active, Mail Services Promotion

The Postal Service proposes to rename the competitive nonpostal service Affiliates for Website as the Mail Services Promotion product.<sup>26</sup> This product is comprised of web-based agreements involving active promotional advertising on *usps.com* and the Postal Service's *active* promotion of vendors' or merchants' mailing services or products related to the mails. *Id.* at 8. The Mail Services Promotion product is comprised of affiliate linking agreements (agreements with Click2Mail, Premium Postcard, and CardStore) whereby "[i]n exchange for compensation, the Postal Service advertises the merchant's products or services and may actively promote

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<sup>26</sup> The Postal Service claims Order No. 154 did not distinguish between its website services. Docket No. MC2009-20, Proposal Notice at 7 n.7. However, the distinctions are evidenced in the record of Docket No. MC2008-1 and the proposed nonpostal products recognize the distinction between provision of a core Postal Service by a third party via a Postal Service website ("Alliances with the Private Sector to Defray Cost of Key Postal Functions") and a single website link ("Advertising") and Postal Service promotion on a website or elsewhere of an advertiser's products or services ("Mail Services Promotion").

them.” *Id.* Appendix A at 15.<sup>27</sup> These agreements are all web-based, but the Postal Service’s description does not limit promotion to its website and would therefore extend the product to include “other venues.” Docket No. MC2009-20, Proposal Notice at 8.<sup>28</sup>

The Public Representative suggests merging this Mail Services Promotion category into the Advertising product because it is similar to advertising and because it is not clear how “actively promote” differs from advertising. PR Comments at 3-4. The Postal Service objects to combining Mail Services Promotion into Advertising because Mail Services Promotion, like the Alliances product, involves active promotion of vendor products, a “somewhat broader relationship” than is contemplated or available through the Advertising product. Postal Service Reply Comments at 11.

The Commission finds that it is reasonable to differentiate Mail Services Promotion from the Advertising product. Differentiation may be useful for oversight purposes such as the review of cost and competition issues, as well as to enable the Postal Service flexibility in differentiating its products for pricing purposes. With the Mail Services Promotion product, the Postal Service could expend resources to actively promote mailing needs. For the Advertising nonpostal product, the Postal Service will not actively promote a product. Moreover, the Mail Service Promotion product is limited to mailing needs whereas the Advertising product is not limited to mailing needs. The Commission finds no reason to deny the Postal Service’s proposal to separate mail services promotions from advertising.

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<sup>27</sup> The Postal Service expects to convert these agreements to linking-type agreements. Order No. 154 at 77-78. In that case, the linking-type agreements, referenced as Affiliates-Other (Linking Only) in Order No. 154, provide only for a link on the Postal Service’s website, but do not include active promotion of products or services by the Postal Service. After such a conversion, such agreements would fall within the Advertising product.

<sup>28</sup> The description states, “In exchange for compensation, the Postal Service advertises the merchant’s products or services and may actively promote them.” *Id.* at 15.



b. Mail Services Promotion in “other venues” of Postal Service

Even if the Mail Services Promotion product is approved, the Public Representative would limit it to the Postal Service website rather than to permit it in other Postal Service venues because the scope of its underlying authorized nonpostal service, Affiliates for Website, discussed in Order No. 154, was limited to such agreements. PR Comments at 4. The Postal Service counters that the limited discussion in Order No. 154 should not be dispositive. It contends that the Postal Service should be able to conduct essentially the same promotional activity outside its website because by promoting mail services and increasing product knowledge for all customers, the product will thereby positively impact the mailing industry. In each instance, the Mail Services Promotion product performs the same basic function of encouraging use of the mail. Postal Service Reply Comments at 11-12. The Commission agrees and, subject to minor editorial changes, will approve the Mail Services Promotion product description as proposed.

3. Rental, Leasing, Licensing or Other Non-Sale Disposition of Tangible Property Product Includes Non-Sale Lease Agreements (Non-Government) and FedEx Drop Boxes Nonpostal Services

a. Rental of Property and FedEx Drop Box Services Combined

Order No. 154 authorized the leasing of real property as a nonpostal service. Order No. 154 at 67-68. The Postal Service proposes to combine the two authorized nonpostal services that involve the leasing of real property, Non-Sale Lease Agreements (Non-Government) and FedEx Drop Boxes as the new nonpostal product labeled “Rental, Leasing, Licensing and Other Non-Sale Disposition of Tangible Property” (Leasing). This product covers “agreements that allow a person or entity to occupy space within, or on, real property of the Postal Service, or to use personal tangible property” for consideration. Docket No. MC2009-20, Proposal Notice at 14.

The Non-Sale Lease Agreements (Non-Government) service includes leasing property for a variety of needs including parking facilities, office space, antenna towers,

advertising, storage, and retail lobby space. Order No. 154 at 66. The Postal Service explains that non-sale dispositions of real property are sometimes structured as a “license” of real property although it has not offered an example of such a license. Docket No. MC2009-20, Proposal Notice at 9-10. The FedEx Drop Boxes arrangement identified in Order No. 154 as a separate nonpostal service also involves the licensing or rental of real property space. *Id.* at 10. The Commission finds it is appropriate to include the service of leasing FedEx Drop Boxes in this Leasing product because, as the Postal Service states, it too involves “the right to use Postal Service real property in exchange for monetary consideration.” *Id.*

b. Rental of Personal Property

The Postal Service seeks to include the rental or leasing of Postal Service personal property within this product. The Postal Service notes that the Commission did not specifically address the rental of personal property in Order No. 154, but proposes to include the rental of equipment, such as forklifts, within this product. *Id.*<sup>29</sup>

The Public Representative finds no basis in Order No. 154 for grandfathering the rental of personal property. He says that nothing in Order No. 154 indicates the Commission considered allowing the Postal Service to rent out cars, trucks, or computers, and that the Postal Service acknowledges rental of personal property was not discussed by the Commission. PR Comments at 4; Docket No. MC2009-20, Proposal Notice at 10. Absent evidence that the Postal Service was leasing out personal property on January 1, 2006, he would modify the proposed description of Leasing to eliminate the proposal to rent personal property and so restrict this proposed category to real property. PR Comments at 4.

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<sup>29</sup> The Postal Service states that for years it has rented personal property such as exercise and audio visual equipment as part of its training facilities, and that charges for personal property rentals are accounted for as part of the training facility operations. The Postal Service does not recommend including them in the product description for training facilities. *Id.* at n.8.

The Postal Service does not believe the proposed product is too broad. It recognizes that leasing of personal property was not specifically listed as an authorized nonpostal service in Order No. 154 because the Postal Service did not identify leasing of personal property as a separate revenue producing activity in that proceeding. However, the Postal Service correctly points out that Order No. 154 is not so rigid that the essential aspects constituting leasing and licensing services would preclude their application to personal property. Postal Service Reply Comments at 5.

The Postal Service notes the record contemplated the leasing or licensing of personal property. It cites to its own filings and statements of witness Donahoe. The sworn statement of witness Donahoe in Docket No. MC2008-1 is evidence that leasing tangible property was recognized in the record in Docket No. MC2008-1 as an efficient means for the disposal of tangible property. *Id.* at 5-6. This option offers management flexibility to utilize its tangible assets. Leasing is a prudent disposition of tangible property, not only of excess real property, but of equipment or vehicles.<sup>30</sup> The Postal Service argues that precluding the leasing of tangible personal property would require the Postal Service to always sell its excess personal property when not consistent with business goals and would not maximize the utility of its property. It further argues that rigidly applying Order No. 154 and not allowing the leasing of personal property would be contrary to the spirit of the Postal Accountability and Enhancement Act. It contends that the objectives of section 404(e) would be advanced by giving management flexibility to efficiently utilize its tangible resources. Postal Service Reply Comments at 7-10.

Leasing personal property provides Postal Service management flexibility in managing its resources. Moreover, no participant in Docket No. MC2008-1 argued that leasing real property meets the standards under section 404(e), but that the functional

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<sup>30</sup> *Id.* at 7, citing to Docket No. MC2008-1, Initial Brief of the United States Postal Service, September 9, 2008, at 44.

equivalent of leasing personal property does not meet those standards. *Id.* at 9.<sup>31</sup> References in Docket No. MC2008-1 to the incidental rental of personal property such as exercise and audio visual equipment when operating training facilities supports continuing rental of personal property owned by the Postal Service. The Commission finds that it is appropriate to include the leasing of personal property obtained in the course of business within the description of the Leasing product.

c. Leasing Tangible Property for Display of Advertising

Order No. 154 noted that the Postal Service leases real property for parking facilities, office space, antenna towers, *advertising*, storage, and retail lobby space.<sup>32</sup> Order No. 154 at 66. Likewise, these examples of leases are included in the MCS description for the “Leasing” product in Appendix B.

When utilized for advertising purposes, the Leasing product would provide space on property for use by a lessee or licensee, but the Postal Service would not actively participate in the advertising. The Commission finds it is desirable for products to differentiate between leasing or otherwise providing property for advertising and the other advertising-related products discussed herein where the Postal Service advertises for others. Therefore, tangible property may be rented, leased, or licensed for the purpose of advertising by the lessee or licensee without Postal Service promotion and it will be included within the Leasing product.

4. Licensing of Intellectual Property Other than OLRP Product

The descriptive MCS language for the licensing of intellectual property other than OLRP product properly allows for the licensing of patent, trademarks, and copyrights for

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<sup>31</sup> That is, the Commission shall take into account the public need for the service and the ability of the private sector to meet the public need for the service. 39 U.S.C. 404(e)(3)(a)-(b).

<sup>32</sup> The Postal Service leases roof space, or excess land, for erection and display of advertising billboards. Docket No. MC2008-1, Initial Response of the United States Postal Service to Order No. 74, June 9, 2008, at 13. These nonpostal services are designated as non-sale lease agreements (Non-Government). Order No. 154 at Appendix I.

noncommercial or limited commercial purposes. See *id.* 154 at 68-76. The Commission recently concluded Phase II of Docket No. MC2008-1. In that phase of its section 404(e) review, the Commission considered whether or not to authorize as a nonpostal service the Postal Service's licensing of trademarks on USPS-branded Mailing and Shipping products related to the operation of the Postal Service for sale at non-Postal Service retail facilities. The Commission initially denied authorization to continue the licensing of Mailing and Shipping Supplies. See Order No. 392 at 26, 39. Upon further review of the issue following court remand, the Commission authorized the licensing of such Mailing and Shipping Supplies within the category of Licensing of Intellectual Property Other than OLRP. See Order No. 1326. The Commission accepts the description of the nonpostal Licensing of Intellectual Property Other than OLRP product included in Appendix B attached to this Order.

#### 5. USPS Electronic Postmark Service (EPM) Program Product

The Postal Service proposes MCS language for the competitive product USPS Electronic Postmark Service (EPM) Program.<sup>33</sup> The proposed description explains that the program permits vendors certified by the Postal Service to provide timestamps to substantiate that the original form of electronic information has not been altered. The description further states, "Once certified, the provider is authorized to use Postal Service licensed technology, intellectual property and patents." *Id.* This descriptive sentence should be expanded to add "related to EPM technology, as licensed." This addition is included in Appendix B attached to this Order.

The Public Representative offers additional clarifying MCS language for the EPM service to reflect the Postal Service's backup verification service it provides in the event the licensee no longer offers EPM service: "The Postal Service has the ability to create a backup verification service for EPMs in the event that a licensee no longer performs that service." PR Comments at 3. The Postal Service does not take exception to this

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<sup>33</sup> See Docket No. MC2008-1, Notice; see *also* Order No. 457, Attachment at 5.

proposed language. Postal Service Reply Comments at 1 n.1. The Postal Service recognizes that the backup support available from the Postal Service to verify EPM seals is an important element of the product. The Commission accepts the Public Representative's proposed language and it is inserted into the product description in Appendix B attached to this Order.

6. Training Facilities and Related Services Product

The Postal Service proposes to rename the nonpostal service identified in Order No. 154 from "Training Facilities" to "Training Facilities and Related Services" without modifying the description of the authorized activity. Docket No. MC2009-20, Proposal Notice at 6. The services offered to the public at training facilities are comprehensive conference and hospitality-related services to defray costs of operations. The Commission agrees with the Postal Service that the incidental rental of personal property accounted for as part of training facility hospitality-related operations is a detail that does not need to be included in the description of the training facility product offering.

On the other hand, the name and location of the training facilities where these services are offered should be included within the product description and should be added to the description of the product. The Postal Service shall file revised amended descriptions of the training facilities to include the names and locations where the product is available. As amended, Training Facilities and Related Services will be added as a nonpostal product to the MCS. If, and when, the facilities are relocated or new training facilities are added that are available for rental, lease or licensing, updated reference to the locations should be added to the product description.

7. [Passport] Photo Service, Officially Licensed Retail Products (OLRP) and Photocopying Service Products

No questions have been raised regarding the Postal Service's proposed MCS language for Photo Service, Photocopying Service, and Officially Licensed Retail

Products (OLRP). Docket No. MC2009-20, Proposal Notice at 2 n.3. However, the description for Photo Service should be clarified to add “Passport” to Photo Service to conform to the essential nature of the authorized service.<sup>34</sup> In addition, the descriptive language for the Photocopying Service product will be modified to indicate that the photocopying services being offered to retail customers who need to make copies of documents are offered “at postal facilities.” With these adjustments to the description of the products in the MCS language, attached hereto, the Postal Service’s request to add these three competitive nonpostal products to the Competitive Nonpostal MCS product list is approved.

C. Web-based Linking Agreements as Price Categories

The Postal Service requests the Commission to treat nonpostal web-based linking agreements providing links to merchant websites as price categories rather than separate products pending review in a rulemaking on the form and content of rules for nonpostal services. Docket No. MC2009-20, Proposal Notice at 5. This applies to the Advertising product which includes the Affiliate-Other (Linking Only) service and the Mail Services Promotion product which includes the Affiliates for Website service. The request might also apply to the market dominant product, Affiliates with the Private Sector to Defray Cost of Key Postal Functions. The Postal Service asserts that designating the linking agreements as price categories pending further review removes uncertainty as to whether a section 3642 proceeding to add new products to the MCS would be required for any new web-based linking agreements. *Id.*

As requested by the Postal Service, subject to further order of the Commission pursuant to Commission rules established for nonpostal services, the Commission will consider new agreements within these various products as categories of the products

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<sup>34</sup> The Postal Service does not explain its omission of the word “Passport” in the product representing that nonpostal service, Passport Photo Service, authorized in Order No. 154. See Order No. 154 at Appendix I.

so that the new agreements will not require a section 3642 proceeding for adding new products.

## VI. CONCLUSION

In conclusion, the 11 nonpostal products discussed in the body of this Order are approved for listing in the MCS. They are comprised of the two nonpostal additions to the MCS market dominant product list and the nine nonpostal additions to the MCS competitive product list as presented in the classification schedules attached hereto.

The Postal Service is directed to file within 14 days conforming MCS language for the Philatelic product and for Training Facilities and Related Services product consistent with the body of this Order. After Commission review of that filing, subject to minor editorial adjustments, all of the product descriptions and prices shall be included in the MCS when published.

## VII. ORDERING PARAGRAPHS

*It is ordered:*

1. Alliances with the Private Sector to Defray Cost of Key Postal Functions and Philatelic Sales are added to the Mail Classification Schedule in the Market Dominant Product List—Nonpostal Services, together with their product descriptions and pricing as set forth in the body and Appendices attached to this Order.
2. The Postal Service is directed to file within 14 days conforming Mail Classification Schedule language for the Philatelic, and Training Facilities and Related Services products consistent with the body of this Order.
3. Advertising; Licensing of Intellectual Property Other than OLRP; Mail Services Promotion; Officially Licensed Retail Products (OLRP); Passport Photo Service;



Photocopying Service; Rental, Leasing, Licensing or Other Non-Sale Disposition of Tangible Property; Training Facilities and Related Services; and USPS Electronic Postmark Service (EPM) Program are added to the Mail Classification Schedule in the Competitive Product List—Nonpostal Services, together with the product descriptions and pricing as set forth in the body and Appendices attached to this Order.

4. The Secretary shall arrange for publication of this Order in the *Federal Register*.

By the Commission.

Shoshana M. Grove  
Secretary

CHANGE IN MAIL CLASSIFICATION SCHEDULE  
CHANGE IN PRODUCT LISTS

The following material represents changes to the product lists codified at 39 CFR Appendix A to Subpart A of Part 3020—Mail Classification Schedule. These changes are in response to Docket No. MC2010-24. The Commission uses two main conventions when making changes to the product lists. The addition of text is indicated by underscoring. Deleted text is indicated by a strikethrough.

## MAIL CLASSIFICATION SCHEDULE

### Part A—Market Dominant Products

#### 1000 Market Dominant Product List

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#### Nonpostal Services

Alliances with the Private Sector to Defray Cost of Key Postal Functions

Philatelic Sales

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### Part B—Competitive Products

#### 2000 Competitive Product List

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#### Nonpostal Services

Advertising

Licensing of Intellectual Property other than Officially Licensed Retail Products (OLRP)

Mail Services Promotion

Officially Licensed Retail Products (OLRP)

Passport Photo Service

Photocopying Service

Rental, Leasing, Licensing or other Non-Sale Disposition of Tangible Property

Training Facilities and Related Services

USPS Electronic Postmark Service (EPM) Program

**1700 Nonpostal Services**

1700.1 Description

A Nonpostal Service is any service authorized by the Commission that is not a postal service. A service is any ongoing, commercial activity offered to the public for the purpose of financial gain.

1700.2 Nonpostal Service Groups

- Alliances with the Private Sector to Defray Cost of Key Postal Functions (1701)
- Philatelic Sales (1702)

**1701      Alliances with the Private Sector to Defray Cost of Key Postal Functions**

1701.1      Description

Alliances with the Private Sector to Defray Cost of Key Postal Functions service includes alliances or agreements with private sector entities for the provision of a core postal function or the funding of the function. The costs of the alliance or agreement are defrayed through activity of the private sector entity. Any revenues in excess of costs of the alliance or agreement are shared between the entity and the Postal Service. The Postal Service does not charge its customers for the core postal function.

1701.2      Price Categories

The following price categories are available for the product specified in this section:

- **MoverSource**—MoverSource is an alliance that supports the system whereby the Postal Service processes and confirms change-of-address information it receives from customers who wish to have their mail forwarded. Customers receive move-related advertising and general information about moving. Customers do not pay for the change-of-address function. The Postal Service shares in the net revenue of the agreement.
- **WhitePages**—WhitePages is an agreement that allows users of usps.com to access information about the locations, hours, phone numbers, and operations of and services available at post offices nationwide. The users of usps.com connect with WhitePages website which has been customized to provide the post office information. WhitePages solicits advertising that is shown on its website. Customers do not pay for the post office information. The Postal Service shares in any net revenue from the agreement.

1701.3      Prices

The Postal Service receives a negotiated share of net revenue after costs.

**1702 Philatelic Sales**

**1702.1 Description**

Philatelic items are stamp-related items that support the hobby of stamp collecting. They are intended to be collected by serious, casual and topical collectors and typically include a postage stamp or stamps. Examples of philatelic items include first day covers, ceremony programs, uncut press sheets, framed stamps, binders for storing stamps, stamp yearbooks, and philatelic guides.

**1702.2 Prices**

	<b>(\$)</b>
All items	Not less than face value of included postage, and not more than face value of included postage plus 300.00
Handling—Orders mailed to domestic (United States) destinations <sup>1</sup>	
Orders up to \$50.00	1.25
Orders over \$50.00	1.75
Handling—Orders mailed to non-domestic (outside the United States) destinations <sup>1</sup>	
Orders up to \$50.00	6.25
Orders over \$50.00	6.75
Expedited service	Actual Express Mail postage

**Notes**

1. There is no handling charge for philatelic items sent as part of a subscription for a series of philatelic items of a specified type, with a means of payment established in advance. There is an additional charge for custom orders of stamps as shown in Stamp Fulfillment Services Mail Classification Schedule section.

**2700 Nonpostal Services**

2700.1 Description

A Nonpostal Service is any service authorized by the Commission that is not a postal service. A service is any ongoing, commercial activity offered to the public for the purpose of financial gain.

2700.2 Nonpostal Service Groups

- Advertising (2701)
- Licensing of Intellectual Property other than Officially Licensed Retail Products (OLRP) (2702)
- Mail Service Promotion (2703)
- Officially Licensed Retail Products (OLRP) (2704)
- Passport Photo Service (2705)
- Photocopying Service (2706)
- Rental, Leasing, Licensing or other Non-Sale Disposition of Tangible Property (2707)
- Training Facilities and Related Services (2708)
- USPS Electronic Postmark (EPM) Program (2709)

**2701        Advertising**

2701.1        Description

Advertising service involves arrangements where the Postal Service agrees to post, display, or otherwise convey or provide a customer's advertising in exchange for consideration. The advertising may be placed or provided on the Postal Service's website, in retail locations, or other postal venues. Payment may be in the form of fees, a percentage of the revenue if the advertised product is sold or other forms. Advertising service does not include advertising for the products that the Postal Service sells.

2701.2        Prices

Prices are negotiated between the customer and the Postal Service.



**2702      Licensing of Intellectual Property other than Officially Licensed Retail Products (OLRP)**

2702.1      Description

Licensing of Intellectual Property other than Officially Licensed Retail Products (OLRP) includes the licensing of the Postal Service's intellectual property including patents, trademarks, and copyrights. The Postal Service receives payment for the use of its intellectual property. The Postal Services charges a nominal fee for use of trademarks or copyrighted material for noncommercial or limited commercial purposes.

2702.2      Prices

	(\$)
Use of Patents	Negotiated
Use of Trademarks	
Noncommercial or limited commercial purposes	25.00
Commercial purposes	Negotiated
Use of Copyrights	
Noncommercial or limited commercial purposes	25.00
Commercial purposes	Negotiated

**2703 Mail Service Promotion**

2703.1 Description

Mail Services Promotion includes Postal Service agreements with merchants who offer web-based customers the ability to create mail pieces through an online service. The Postal Service provides a link on its website to a merchant's website and may, in addition, actively promote the merchant's product. The Postal Service does not produce or provide the product or service.

2703.2 Prices

Prices are negotiated between the merchant and the Postal Service.

## 2704 Officially Licensed Retail Products (OLRP)

### 2704.1 Description

Officially Licensed Retail Products (OLRP) are merchandise sold through Postal Service retail channels. The merchandise relates to mail, governmental services provided at the Post Office, or stamp images, or contains the postal brand.

### 2704.2 Price Categories

The following price categories are available for the product specified in this section:

- **Mail-Related Merchandise**—Mail-related merchandise includes items that facilitate the use of the Postal Service's mailing and shipping services. It includes scales, stamp dispensers, rubber stamps, and other mail-related items offered for sale by the Postal Service.
- **Government Services-Related Merchandise**—Government services-related merchandise include items associated with the Postal Service's provision of government related services. An example is the passport holder.
- **Stamp-Related or Postal-Branded Merchandise**—Stamp or Postal Brand related merchandise include items that have, or are associated with, a Postal Service issued stamp, or that have a postal brand. It includes ornaments, tote bags, CDs, framed artwork, and other types of merchandise.

### 2704.3 Prices

	(\$)
Mail-Related Merchandise	1.00 to 125.00
Government Service-Related Merchandise	1.00 to 20.00
Stamp-Related or Postal-Branded Merchandise	1.00 to 150.00

**2705      Passport Photo Service**

2705.1      Description

Passport Photo Service is offered to support customers who apply for passports at designated postal facilities pursuant to U.S. Department of State regulations.

2705.2      Prices

	<b>(\$)</b>
Per Photo	15.00

**2706 Photocopying Service**

2706.1 Description

Photocopying Service is offered to retail customers at some postal facilities to make copies of documents.

2706.2 Prices

	<b>(\$)</b>
Per Copy	0.10 to 0.50

**2707      Rental, Leasing, Licensing or other Non-Sale Disposition of Tangible Property**

2707.1      Description

Rental, Leasing, Licensing or Other Non-Sale Disposition of Property includes agreements that allow a person or entity to occupy space within or on real property of the Postal Service, or to use personal tangible property obtained in the course of business, in exchange for rent, fee or other monetary consideration. The agreement may be a lease, license or other form of agreement. For instance, for parking facilities, office space, antenna towers, advertising space, storage, and retail lobby space. It does not include agreements with federal government agencies or the sale of property.

2707.2      Prices

Prices are negotiated between the customer and the Postal Service.

**2708 Training Facilities and Related Services**

2708.1 Description

- a. Training Facility and Related Services includes the rental of excess space in or on the grounds of the Postal Service's training facilities to outside parties.
- b. The facilities include meeting rooms, housing, and exercise areas. Available services include conference-related services such as food service and the rental of audio-visual equipment, and hospitality-related services such as lodging, fitness-related services, banquet services, and on-site sale of sundries.
- c. The Postal Service has two training facilities. One facility has a health clinic on site that charges for services. One facility makes training classes available to non-governmental organizations.
- d. The Postal Service sets the prices for training classes.
- e. The Postal Service contracts with a company to manage each facility. The management company is responsible for setting the prices for all other services and the Postal Service receives a negotiated percentage of net profits.
- f. Training Facility and Related Services does not include rental of space or provision of services to federal agencies or postal employees.

2708.2 Prices

	<b>(\$)</b>
Training courses, including management, leadership, technical, and computer technology courses	35.00 to 9775.00
All other services (Price set by contractor)	Perce ntage of net profits

## 2709 USPS Electronic Postmark (EPM) Program

### 2709.1 Description

- a. USPS Electronic Postmark (EPM) program authorizes vendors to provide their customers with Postal Service-authorized timestamps for the purpose of substantiating at a later time that the original form of the electronic information presented for time-stamping has not been altered.
- b. The vendor is required to meet certified standards for creating a secured environment for the auditable timestamps, digital signatures, and hash codes. Once certified, the provider is authorized to use Postal Service licensed technology, intellectual property and patents related to EPM technology, as licensed.
- c. The authorized vendor generates the timestamp, called an Electronic Postmark, on a secure server that it owns and maintains.
- d. The Postal Service has the ability to create a backup verification service for EPMs in the event that a licensee no longer performs that service.
- e. A vendor fee is paid quarterly and includes 1,500,000 Electronic Postmarks per quarter. If, in any quarter, the number of postmarks exceeds 1,500,000, an additional fee is charged.

### 2709.2 Prices

	(\$)
Up to 1,500,000 Electronic Postmarks, per quarter, per license	75,000.00
Over 1,500,000 Electronic Postmarks, per quarter (each additional Electronic Postmark)	0.02